# CITY OF BATTLE CREEK

# INDUSTRIAL FACILITIES TAX EXEMPTION GUIDELINES AND INSTRUCTIONS FOR FILING AN APPLICATION

# **ACT 198 OF 1974 POLICY STATEMENT**

Michigan Public Act 198 of 1974 was designed to provide a stimulus to industry in the form of significant tax incentives, to renovate and expand aging plants and equipment, to build new plants, and to promote the establishment of research and development laboratories, among other things. Effective local use of the Act is intended to benefit the local economy through stimulating economic growth, creation or retention of jobs, increasing tax revenue, and providing a more favorable living and business climate. Tax abatement to industrial developers continues to be a necessary tool to compete with other intrastate and interstate communities. The issuance of an Industrial Facilities Tax Exemption in the City of Battle Creek requires that the applicant's proposed project will significantly comply with the stated intended purposes and goals of the Act and comply with the following guidelines:

## **CITY GUIDELINES**

- 1. All projects to be granted tax abatement will be treated as a new facility or replacement facilities.
- 2. Only projects or parts of projects with a construction period of two years or less will be considered for abatement. In the event a project has a construction period longer than two years, the improvements made after the two year period will be considered under a separate abatement request at a subsequent date.
- 3. The real and personal property improvements must represent an investment equal to at least 20% of the current true cash value of the property as determined by the Assessor. An investment in excess of \$100,000 will be exempt from this guideline.
- 4. Abatement of personal property will apply only to industrial property as defined under the Act.
- 5. The acquisition of personal property, where no addition to land and building takes place, either through lease or purchase will be considered for a maximum of 6 years of abatement.
- 6. Areas where abatements will be considered shall be pre-established. Annually, in October the city staff shall report to the City Commission on recommendations regarding the established areas.
- 7. The Assessor shall review all applications for tax abatement to determine whether the proposed project qualifies under city guidelines and state statute. The Tax Abatement Committee shall review any questions about qualifications that arise from the review process before the application is submitted to the City Commission. The Tax Abatement Committee shall consist of four commissioners appointed by the Mayor and approved by the Commission.

- 8. Annually, in October, the city staff will report to the Commission regarding Industrial Facilities Exemption certificate holders' compliance with the abatement guidelines and the law. The staff may request information of the certificate holders when necessary to prepare said report. The certificate holders are required to provide the requested information.
- 9. Fees will be as follows: \$150.00 to apply for an abatement and \$200.00 to request an abatement district. An application to transfer a certificate will be \$150.00

#### **TAX ABATEMENT PROCESS**

#### **APPLICATION**

- 1. An application for industrial tax abatement can be obtained from the Forms section of the Assessor's web site at <a href="www.ci.mi.battle-creek.mi.us/assessing">www.ci.mi.battle-creek.mi.us/assessing</a> or by contacting the Assessor's Office at 1-269-966-3369.
- 2. The application must include a completed Industrial Facilities Exemption Agreement, a Fee Affidavit, and the city's contract compliance forms. These forms can also be obtained from the Forms section of the Assessor's web site at <a href="https://www.ci.mi.battle-creek.mi.us/assessing">www.ci.mi.battle-creek.mi.us/assessing</a>.
- 3. The completed application and all attachments, along with the appropriate fee (see City Guideline No. 9), is be filed with the City Clerk, 10 N. Division, Room 111, City Hall, Battle Creek, MI 49014.
- 4. The application must be filed with the Clerk within six months from the day any construction or improvements are started.

# **REVIEW PROCESS**

- 1. The Assessor reviews your application for compliance with Public Act 198 of 1974, as amended, and the city guidelines. The Assessor contacts the person who prepared your application if there are questions, problems, or items missing from your application.
- 2. After receipt of the application, the City of Battle Creek Contract Compliance Office contacts you regarding an Equal Opportunity review of your company.

# **APPROVAL PROCESS**

- 1. After the review process is completed, the application is submitted to the City Commission and a public hearing set. You, the affected taxing units and the public are given notice of the time and place of this public hearing.
- 2. The public hearing is held at a regularly scheduled City Commission meeting. Interested parties are given the opportunity to be heard on the application. A representative of the applicant should be present to answer any questions that may arise.

- 3. After the hearing, the City Commission considers a resolution to either approve or deny the application. That resolution is usually considered at the next regularly scheduled City Commission meeting.
- 4. The entire process will normally take six to eight weeks from the time the application is filed.
- 5. If the application is denied, reasons will be set forth in the resolution and the application returned to you. The applicant has 10 days to appeal the denial to the Michigan State Tax Commission.

#### **EXPLANATION OF CITY GUIDELINES**

- 1. Construction Period: If more than two assessment years are involved in the construction period, the project must be phased over several applications.
- 2. Industrial Property: An applicant should be prepared to show that the property for which they are requesting an exemption fall within the definition of industrial property in the Act. If not, then the property may not be considered for abatement.
- 3. Designated Abatement Areas: A map of the areas designated for abatements can be found in the Assessor's Office. An applicant has the right to ask for abatement in any area, but the City Commission has only shown a willingness to grant abatements in the previously designated areas.

#### **TAXATION**

If the State Tax Commission grants the exemption, the property is valued and assessed in the same manner as all other property in Battle Creek. The taxes are computed by multiplying approximately one-half of the tax rate times the taxable value. The abatement applies to building and personal property improvements only. It does not apply to land. The land is separately assessed and taxed at the full rate.

# **REPORTS**

- 1. At the completion of the project, the certificate holder is required to file, with the Assessor's Office, a letter stating the final cost and completion date of the project.
- 2. On an annual basis, the City Staff must submit a report to the City Commission regarding the status of certificate holders' compliance with abatement guidelines and state law. The certificate holder may be asked to provide information regarding its compliance at this time. The certificate holder is required to provide the requested information.
- 3. The annual report will indicate areas of non-compliance with the state statute, city guidelines, or any contractual obligation with the City of Battle Creek.

#### **EQUAL OPPORTUNITY REVIEW FOR FINANCIAL ASSISTANCE**

The Battle Creek City Commission established an Equal Opportunity & Felony Reentry Employment Policy on June 3, 2008 under City Ordinance 208.10. In part, the policy statement includes the following:

☐ It is inherent in the policies of the City of Battle Creek to use public resources to the greatest

extent possible for the benefit of all citizens regardless of race, creed, color, sex, handicap, marital status, national origin, or age, with special concern for minorities, women, disabled and veterans.

☐ The City of Battle Creek will continue to make every good faith effort to promote, in all segments of its community, the equal employment of minorities, women, disabled, and veterans, regardless of race, creed, color, sex, handicap, marital status, national origin, or age.

The City of Battle Creek desires to continue to encourage and assist in the establishment, expansion, and retention of business and industry. The city also desires to encourage and assist business and industry have policies to ensure that they hire individuals regardless of race, creed, color, sex, handicap, marital status, national origin, or age, with special concern for minorities, women, disabled and veterans..

Any business or industry, with or projecting to have fifteen (15) or more employees, requesting financial assistance from the city must demonstrate its commitment to equal employment practices. The city's Contract Compliance Office has been given the responsibility of reviewing all Industrial Facilities Exemption applicants to determine if a plan for hiring goals and implementation procedures is needed.

The Contract Compliance forms are to be completed and attached to the applicant's Industrial Facilities Exemption application.

### **IMPORTANT UPDATES**

- □ Pursuant to Public Act 334 of 1993, all Industrial Facilities Exemption applications must include an agreement signed by the local governmental unit and the applicant outlining conditions and/or recourses to be upheld during the abatement. The City's Industrial Facilities Exemption Agreement must be completed and filed with the applicant's Industrial Facilities Exemption application.
- □ Pursuant to Public Act 323 of 1996, all Industrial Facilities Exemption applications must include an affidavit signed by the local governmental unit and the applicant stating that no payment of any kind in excess of the fee allowed by Public Act 198 of 1974, as amended was made or promised in exchange for favorable consideration of an exemption certificate application. The City's Fee Affidavit must be completed and filed with the applicant's Industrial Facilities Exemption application.

# **CONTACTS FOR ADDITIONAL INFORMATION**

## **Proposed Projects and Economic Incentives:**

Doug Voshell

Phone

269-962-7526

**BATTLE CREEK UNLIMITED** 

Fax

269-962-8096

4950 W. Dickman Rd. Battle Creek, MI 49015 Email:

Voshell@bcunlimited.org

# **Requirements:**

Steven M. Hudson

Phone

269-966-3369

CITY ASSESSOR

Fax

269-966-0618

Room 104, City Hall

Email:

smhudson@ci.battle-creek.mi.us

10 N. Division St.

Battle Creek, MI 49017

### **Contract Compliance Forms and Requirements:**

Jenne' L. Dickerson

Phone

269-966-3394

CONTRACT COMPLIANCE

Fax

269-966-3627

Room 212, City Hall

Email:

jldickerson@ci.battle-creek.mi.us

10 N. Division St

Battle Creek, MI 49017

# **Application Filing and Fee:**

Dee Laser

Phone

269-966-3348

**CITY CLERK** 

Fax

269-966-3555

Room 111, City Hall

Email:

dalaser@ci.battle-creek.mi.us

10 N. Divisions St.

Battle Creek, MI 49017

# BATTLE CREEK CITY ASSESSOR INDUSTRIAL FACILITIES TAX EXEMPTION CHECKLIST FOR ATTACHMENTS TO APPLICATION

- 1. Legal description of the real property on which the facility is or will be located. Include the parcel identification number (PIN) if it's available. You can get this information from an Assessment Change Notice, current tax bill or by calling the Assessor's office at 966-3369. The property must be owned by the applicant or under lease as provided in paragraph 5, below, on the date of application.
- 2. A complete list of the new machinery and equipment for the facility. Include the description, beginning date of installation or expected date of installation by month/day/year, and costs or expected costs.
- 3. Personal property applications must have a certified statement or affidavit as proof of the beginning date of installation. An official from the company must sign the affidavit and his/her signature must be notarized.
- 4. Real property applications must have proof of the date construction started. Applicants can provide one of the following if the project has already started: building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact starting date.
- 5. Complete copy of lease agreement as executed, if applicable. A lease is required for any real or personal property that is leased instead of owned. The lease must show the applicant has direct responsibility for the taxes for which they are requesting an exemption. If applying for real property tax exemption, the lease must run the full length of the time the abatement is granted by the City Commission.
- 6. A completed Industrial Facilities Exemption Agreement, signed by an official from the company.
- 7. A completed Industrial Facilities Exemption Fee Affidavit that is signed by an official from the company and notarized.
- 8. A completed set of the city's contract compliance forms.

# INDUSTRIAL FACILITIES EXEMPTION AFFIDAVIT COMMENCEMENT OF PROJECT

STATE OF MICHIGAN )			
) ss COUNTY OF CALHOUN )			
The undersigned, being duly sworn,	states the followin	g:	
<ol> <li>I am a representative of</li></ol>	Facilities Exemption	on Certificate, and make this	Affidavit based on my own
2. I submit this Affidavit in su		cation for Industrial Facilitie	es Exemption Certificate, dated
I hereby certify that installar     Industrial Facilities Exemption	tion of the persona	ll property, which is the subj	ect of the application for
Further Deponents sayeth no	ot.		
			, Applicant
	BY:		
	ITS:		
WITNESSES:			
STATE OF MICHIGAN )			
) ss COUNTY OF CALHOUN )			
Subscribed and sworn to before me the	nis	day of	, 20
Notary Public			
Calhoun County, Michigan My Commission Expires:			

# INDUSTRIAL FACILITIES EXEMPTION AGREEMENT

This Agreement is entered into as required and authorized by Public Act 334 of 1993 and made
in connection with an Application for an Industrial Facility Exemption Certificate by the
Applicant named below. This agreement is entered into between the City of Battle Creek, a
Michigan municipal corporation, hereinafter "City", whose address is P.O. Box 1717, Battle
Creek, MI 49016-1717, and whose address is
Creek, MI 49016-1717, and whose address is, hereinafter "Applicant".
For and in consideration of the granting of an Industrial Facilities Exemption Certificate pursuant
to Public Act 198 of 1974, the parties agree as follows:
, 1
1. Commitments made by Applicant in this Agreement are binding on Applicant if
and only if the City Approves an Industrial Facilities Exemption Application filed by Applicant
on, 20 ("Application") and the Application is approved
and a Tax Exemption Certificate is issued by the Department of Treasury State Tax Commission
pursuant to Act 198.
Paradamin to 1101 1501
2. Applicant agrees that the facility for which it has filed the above Application is a new
facility.
Tuesting.
3. Applicant agrees that the facility will be constructed in not more than two assessment
years.
y cars.
4. Applicant represents that the real and personal property improvements represent an
investment equal to at least 20% of the current true cash value of the property as determined by
the Assessor or more than \$100,000.00
the Assessor of more than \$100,000.00
5. Applicant agrees that if the application includes personal property, to qualify for the
exemption the personal property must qualify as "industrial property" under MCL 207.552 on
the date of the application.
6. Applicant agrees that prior to October of each year and upon reasonable notice at other
times, it will supply the following information to City which is necessary to enable City staff to
prepare a report to the City Commission and State regarding Applicant's compliance with
abatement guidelines and the law:

- a) The amount of capital investment in both real and personal property;b) The total number of jobs retained;c) The total number of new jobs created;

d) Any additional information required by changes in state law or City policy. The City agrees to notify Applicant of such changes to state law or City policy so that Applicant has reasonable time to collect the required data.

7.	Applicant agrees to expend approximately
(\$	on the improvements that are the subject of the
Appl	ication named above.
8. later	full-time job equivalent positions not existing as of the date of the Application not
parag	graph.
pursunot 1	Applicant agrees that it will retain no less than full-time job equivalent ions as measured from the date of the Application and for as long as the Certificate issued that to the Application is in effect. City recognizes that business conditions, including but imited to NAFTA, may make it impossible to meet the commitments contained in this graph.
Facil time	Applicant agrees to complete such forms as may be necessary to process the Industrial ities Exemption Application associated with this Agreement and such other forms as from to time may be required by the City of Battle Creek relating to equal employment rement.
	City agrees that so long as the conditions of this agreement and of the law are fulfilled, it not seek to revoke the Tax Facility Exemption Certificate issued by the State of Michigan as all of the above-mentioned Application during the term of that Certificate

- a result of the above-mentioned Application during the term of that Certificate.
  12. City and Applicant agree that any material violation of this Agreement shall be grounds to revoke the Industrial Facilities Exemption Certificate issued pursuant to this Application and
- to revoke the Industrial Facilities Exemption Certificate issued pursuant to this Application and city may pursue such remedies as provided by law. In addition, Applicant agrees that if it ceases operation of its facility before the expiration of the Certificate granted in reliance of this contract it shall be liable to City as partial liquidated damages the following:

A sum of money equal to the current total annual tax savings of this certificate divided by 12 and multiplied the number of months remaining in the year of closure not counting the month of closure. Said sum payable upon demand of City.

This Agreement is executed at Battle Creek, Michigan, the dates written below.

	City of Battle Creek	
DATED:	BY: Its: City Manager	
	Applicant:	
DATED:	BY:	
	Its:	

# $\frac{\textbf{INDUSTRIAL FACILITIES EXEMPTION}}{\textbf{FEE AFFIDAVIT}}$

STATE	OF MICHIGAN )				
COUNT	Y OF CALHOUN)				
			and		
being fir	st duly sworn, depose and say as follows:				
1.	I am a representative of Exemption Certificate, and make this Affid	avit based	l upon my own knowledge.	, Applicant for an Industria	l Facilities
2.	I, Ken Tsuchiyama, City Manager of the Ci based on my own knowledge.	ty of Batt	le Creek, am an official of the Ci	ty of Battle Creek and I make	this Affidavit
3.	The named individuals swear or affirm that made or promised in exchange for favorable	no payme e consider	ent of any kind in excess of the fe ration of a contemporaneous exen	e allowed by Act 198, as ame application certificate application.	ended, has beer
	Further Deponents sayeth not.				
WITNES	SSES:			, Applicant	
			BY:		
			ITS:		
Subscrib	Y OF			, 20	
WITNES	SSES:		CITY OF BATTLE CREEK		
			BY: Ken Tsuchiyama, Its: City Manager		
STATE	OF MICHIGAN )				
COUNT	) Y OF CALHOUN )				
Subscrib	ed and sworn to before me this de	ay of		, 20	
Acting in	ublic County, Michigan n Calhoun County mission Expires:	_			

#### **CONTRACT COMPLIANCE**

CITY OF BATTLE CREEK	10 N. Division, Suite 212
CONTRACT COMPLIANCE OFFICE	Battle Creek, MI 49016
	Phone: (269) 966-3394
	Fax: (269) 966-3627

Dear Potential City Contractor:

Re: City of Battle Creek - Contract Compliance Policy

Attached to this letter are the forms that the City of Battle Creek requires are completed by all City contractors in order to implement and monitor our Contract Compliance Policy. This is in accordance with Administrative Code 208.10, found on the next page. This policy's goal is to support economic opportunities for all residents of the Battle Creek area through assisting vendors and contractors with improving the diversity of their workforce.

We realize City contractors are not solely responsible for addressing the issues of economic opportunity for all our residents. We do, however, believe it is important to support employment for our community's economically disadvantaged wherever possible.

Beyond your support of this important community goal, you may also be interested to know that a diverse workforce directly benefits your company through incorporation of a more broad perspective and ideas into daily operations. Companies with diverse workforces are also better able to meet the needs of their customers in a modern economy and to respond to changes more rapidly, based on a wide range of viewpoints and talents.

We appreciate your desire to do business with the community and hope that you understand our responsibility for reflecting and creating community values that benefit the overall Battle Creek area. Thank you, in advance, for submission of the attached paperwork. Your effort reflects a joint commitment to supporting a community environment that provides maximum economic opportunities for all our community's residents.

Sincerely,

Kenneth H. Tsuchiyama

Kenneth H. Tsuchiyama City Manager

# CITY OF BATTLE CREEK POLICY 208.10 EQUAL OPPORTUNITY AND FELONY RE-ENTRY EMPLOYMENT Approved by the City Commission June 3, 2008

- (a) The City shall accept bids for goods and/or services in amount of \$10,000 or more from only those persons, partnerships or corporations that are committed to equal opportunity employment of all persons, consistent with Article I, Section 26 of the Michigan Constitution and which has adopted a hiring policy which does not preclude a person with a felony conviction from being considered for employment unless otherwise precluded by state or federal law.
- (b) This section shall apply to all subcontractors holding subcontracts of \$10,000 or more when such subcontractors are a direct and inclusive result of a City purchase or contract of \$10,000 or more.
- (c) Any contractor, subcontractor, supplier or vendor which is subject to this section and who employs fifteen or more employees shall submit equal opportunity employment compliance documentation with their bid or proposal. Such documentation shall substantially conform to forms created by the purchasing agent which shall indicate the number of minorities, women employed by job classifications, and whether such numbers meet or exceed the relevant standard metropolitan statistical area percentage for Battle Creek or the SMSA percentage of the contractor's business address and shall include, in writing, contractors Equal Employment Opportunity Policy.
- (d) Any contractor, subcontractor, supplier or vendor which is subject to this section and who employs fifteen or more employees, shall submit in writing with its bid or proposal, its hiring policy which shall provide that a felony conviction is not an absolute bar to, or otherwise preclude, possible employment with the contractor, subcontractor, supplier or vendor.
- (e) Failure to submit the Equal Opportunity Employment and Felony Conviction Re-Entry to Employment Policy documentation required by this section shall render the bid or proposal non-responsive.

### **POLICY STATEMENT**

(Company Name)	

## Policy on Equal Employment Opportunity

It is the policy of the above-mentioned company to promote equal opportunity for all qualified employees and applicants for employment and to prohibit discrimination in employment because of race, creed, color, national origin, sex, handicap, age, or marital status. The company will work to ensure fair and equitable treatment of all employees and applicants in recruitment, employment, promotions, demotions, transfers, layoffs and terminations.

The company has prepared and will implement a policy on Equal Employment Opportunity to ensure that all employment decisions are made to further our commitment to equal employment. This plan requires that, among other things, only valid criteria be used in making personnel decisions. Supervisory staff is expected to comply with both the letter and the spirit of this policy. Employees thinking that they have been the victims of discriminatory action should contact this office or the office of Contract Compliance.

Applicable only for Contractors and Suppliers as defined in Section 208.10 of the City's Administration Code: The company has adopted and will implement a Felony Conviction Re-entry to Employment Policy, which provides that a felony conviction is not an absolute bar to, or otherwise preclude, possible employment with the company.

These policies will be distributed to all company departments, to the union local office (if any) and to the company's recruitment sources.

Signed:	Date	
Printed Name:		
Title:		

# Firm Description

F: N	D. L. AM.
Firm Name:	Project Name:
Street Address:	Phone:
Line 1	
Line 2	Fax:
Line 3	E-Mail:
City/State:Zip	
Home office Address (if different than above):	Home Office Phone (if different than above):
Line 1	
tine?	Home Office Fax (if different than above):
tine 3	
City/State:Zip	List any cities and organizations your firm is certified by and attach copies of certificates:
What is the main function of your business? Be specific, but brief.	attach copies of continuates.
Check if applicable to your firm:	If you checked either category on the left:
Minority Owned	1). Complete M/WBE certification forms (available by calling 269-966-3394).
Woman Owned	OR
	2). Submit copies of certifications by one of the following agencies: SBA 8(a), MMBDC, WBENC, City of Grand Rapids, City of Detroit.
	community programs in which your company participates. mining certification of eligibility. Provide verification if
Community participation in development of a diverse worfollowing:	rkforce through support of, or involvement with any of the
disadvantaged,  Financial commitment to child care, transportation, or commitment to child care, transportation, or commitment of minority-owned businessed Employment of disabled individuals or veterans	s provided by the Workforce Development Board, t poverty level, upgrade skills, education, and facilities of economically other barriers to employment issues,
Authorized Signature	
Printed Name:	
Position Title	

				COMPANY NAME:	NAME										
		Σ	MALE EMPLOYEE DATA	LOYEE D	ATA				L	FEMALE EMPLOYEE DATA	MPLOYE	E DAT,	∢		
JOB CATEGORIES	White	Hispanic or Latino	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Hispanic or Latino	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	TOTAL
Officials & Managers															
Professionals															
Technical (Semi- professional)															
Sales															
Foreman/Supervisors															
Office/Clerical															
Craftsmen (skilled)															
Operatives															
(Semi-skilled)															
Laborers (unskilled)															
Service Workers															
TOTAL															
TOTAL EMPLOYEES	EES											ပိ	Company Total % :	:al % :	
Authorized Signature									Date:						
Name of person completing form:	oleting fc	ım:				4			Phone		i				

# **CITY USE ONLY**

- Number of minorities employed meets or exceeds current relevant Standard Metropolitan Statistical Percentage for Battle Creek demonstrated through submission of contract compliance forms identifying employees by race, gender, and job classification (attached).
  Minority employment reflects Labor Force Participation Rate for that particular employment sector Demonstrated through submission of contract compliance forms identifying employees
  - - by race, gender, and job classification. Existence and implementation of a proactive equal employment opportunity policy (attached)